

transponder communications device configured to electrically interrogate a transponder associated with an item maintained within the boundary and to receive item identification data in response. The system is further provided with a controller which is disposed in operable communication with the transponder communications device. The controller is configured to generate an alert signal in response to detection of a given transponder having crossed the boundary and having item identification data indicating a secured status of the associated item. The controller is further configured to generate an item reorder signal in response to detection of a given transponder having crossed the boundary and having item identification data indicating a consumable status of the associated item. (See, Claim 1).

Such system advantageously utilizes transponder technology for multiple purposes within a given environment. As discussed above, the system provides for the automatic tracking of transponder tagged items to and from the designated boundary or even boundaries. Significantly, the transponders include identifying information as to whether a given item is of a consumable nature. For example, the system may be deployed in a home environment, with designated items having a consumable status such as specific food items, paper towels, soap, light bulbs, etc. In this regard, a detection event that such items have crossed a particular boundary may be used to trigger the automatic addition of a similar item onto an electronic shopping list for reordering. (Specification, page 6, lines 1-15).

At the same time that the present system is utilized for item reordering purposes, the present invention recognizes that the detection of transponders may be used for another purpose, to track valuable items that are not intended to leave the premises or

boundary. In the home environment, certain items which may be tagged and monitored for this purpose may include appliances, furniture and other valuables. For example, while the items stored in a refrigerator may be tracked and classified as being a consumable, the refrigerator itself may be affixed with a transponder having a secured status. Thus, the detection of an unauthorized removal of a tagged item may be used to trigger an alarm or even may be electronically linked to traditional alarm or security systems. (Specification, page 6, lines 16-30). In the office environment, items tracked with a consumable status may include packages of pens, notepads, paper, etc. In contrast, office furniture, computer and other office equipment may be tagged with transponders indicated a secured status. In another example, the system may be deployed in a hospital with items traced having a consumable status includes such things as packages of needles, bandages, gloves, drugs, etc. Expensive medical equipment may be traced with a secured status. (Specification page 16, lines 19-29).

2. **Establishing Prima Facie Obviousness Requires a Showing that the Skilled Artisan, Confronted with the Same Problems as the Inventor and With No Knowledge of the Claimed Invention, Would Select the Elements From the Cited Prior Art**

The Federal Circuit has set forth guidelines for establishing a prima facie case of obviousness under 35 U.S.C. § 103.

*"It is error to reconstruct the patentee's claimed invention from the prior art by using the patentee's claim as a "blueprint." When prior art references require selective combination to render obvious a subsequent invention, there must be some reason for the combination other than the hindsight obtained from the*

*invention itself. It is critical to understand the particular results achieved by the new combination.” Interconnect Planning Corp. v. Feil, 774 F.2d 1132, 227 U.S.P.Q. 543 (Fed. Cir. 1985).*

Moreover, “A single line in a prior art reference should not be taken out of context and relied upon with the benefit of hindsight to show obviousness.” Bausch & Lomb, Inc. v. Barnes-Hind/Hydrocurve, Inc., 796 F.2d 443, 230 U.S.P.Q. 416 (Fed. Cir. 1986). As such, the Federal Circuit set forth the particular burden which the examiner must show in order to establish a prima facie case of obviousness as follows:

*“To prevent the use of hindsight based on the invention to defeat patentability of the invention, this court requires the examiner to show a motivation to combine the references that create the case of obviousness. In other words, the examiner must show reasons that the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would select the elements from the cited prior art references for combination in the manner claimed.” In Re Rouffet, 149 F.3d 1350, 47 U.S.P.Q.2d 1453 (Fed. Cir. 1998) [emphasis added]; See Also, Diversitech Corp. v. Century Steps, Inc., 850 F.2d 675, 7 U.S.P.Q.2d 1315 (Fed. Cir. 1998) [“*The problem confronted by the inventor must be considered in determining whether it would have been obvious to combine references in order to solve that problem.*” (emphasis added)].*

### **3. Office Action Fails to Establish Prima Facie Case of Obviousness**

In the present case, Applicants respectfully submit that the Office Action fails to establish a prima facie case of obviousness which comports to the principles as set forth in the Federal Circuit’s case law opinions as discussed above. The particular reasons that

a skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would selected the elements from the cited prior art references for combination in the manner claimed have not been identified in the Office Action.

As discussed below, the argument presented in the Office Action in attempting to establish a prima facie case of obviousness does not address the problems addressed by the inventors (Applicants) in the present case as required. Namely, the problem of defining a single system for automated security and reorder system is not addressed by the Office Action. Rather, the Office Action selectively chooses the cited references using Applicants' claims as a "blueprint" to satisfy various recited elemental claim limitations. In this regard as further discussed, the Office Action begins with the Hughes et al. system and notes that because the Hughes et al. system includes bar code data that this is motivation enough to make the leap of logic to arrive at the Shaw system that converts bar code data to Internet ready XML format. In this regard, Applicants believe a quick review of the three cited art references will be useful to understanding their context in relation to any possible motivation to combine them in addressing the problems sought to be solved by Applicants' invention.

**A. Hughes et al. (U.S. Patent No. 5,920,261)**

As is understood, the Hughes et al. reference relates to a method and apparatus for tracking objects within a known area utilizing transponders, and displaying the related information in the context of such known area. The invention appears to focus on the ability to enter locations of the tracked object and displaying of information relative to such location. (See, Claim 1). The system allows for an accurate representation of the

location of all tracked objects, such as inventory or merchandise, of interest in a retail outlet, warehouse, office, or other area of interest. Location of object fixtures (such as furniture, shelves, and containers) can also be monitored, eliminating the need to update the physical layout each time a change is made. Another purpose of the invention is to offer users the means to utilize the information obtained to infer economic value of location within the defined environment. (col. 1, lines 43-61).

**B. Shaw (U.S. Patent No. 6,568,596)**

As understood, the Shaw reference relates to a method and system for scanning bar code data that can be published in near real time on Internet or intranet sites. The invention allows the data collector to collect data in XML-format (Extensible Markup Language). This data collection scheme allows the data to be published on the Internet. (See, col. 2, lines 9-20). The invention focuses on scanning a bar code to generate bar code data and then using the barcode data to prepare a markup language document. (See, Claim 1).

**C. Arguments Presented in the Office Action**

In beginning the argument in support of establishing a prima facie case of obviousness, the Office Action states:

*“Hughes et al. shows all of the limitations of the claims except for specifying generating a re-order and using an external communication device/global computer network.”* (Office Action, page 2).

Thus, the problem of defining a single system for automated security and reorder system is not addressed, but rather the Hughes et al. reference regarding the tracking transponders and displaying of their location information is selectively chosen. The

Office Action acknowledges that the Hughes et al. reference does not teach or suggest the capability of a reorder process.

The Office Action points out that the Hughes et al. tracking system, utilizes not only transponders to monitor the location of the tracked items, but also that such items are contemplated to be labels with bar codes. Hughes et al. tracking system scans in information about the particular item to be tracked from the bar code label and then monitors the associated transponder.

The Office Action next references the Shaw patent:

*"Shaw teaches (col. 1, lines 20-22, and col. 2, lines 31-32) an XML based barcode scanner. It is an object of the invention to convert barcode data into data that is easily published on the Internet (external communication device/global computer network or used by e-commerce application. The feature can be published as spreadsheet data, interactive business forms or perhaps as charts that could trigger automatic re-order of inventor (generating a re-order) in order improve inventory procedures.*

*"Based on the teaching of Shaw, it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to modify the bar code data of Hughes et al. into the XML format of Shaw, thus enabling the use of global computer network with potential automatic re-ordering, in order to improve inventory procedures."* (Office Action, page 3)

Applicants submit that such limited reference to a reorder of inventory in the Shaw passage is exactly which the Federal Circuit has warned against, i.e., *"a single line in a prior art reference should not be taken out of context and relied upon with the*

*benefit of hindsight to show obviousness.” Bausch & Lomb, Inc. v. Barnes-*

*Hind/Hydrocurve, Inc.*, 796 F.2d 443, 230 U.S.P.Q. 416 (Fed. Cir. 1986). Contrary to the

Office Action, Applicants submit that the Shaw reference does not suggest a reorder process in the context of Applicants’ invention or the problem being addressed. The cited passage does not suggest utilization of a reordering process in the context of a transponder tracking system, but rather in the context of a bar code driven system. It is such bar code systems that inventors have recognized as being inefficient and having inadequacies that the Applicants’ transponder based system overcomes. This is due to the automated nature of Applicants’ transponder based system.

In this regard, in the Office Action, there is no mention of why one of ordinary skill in the art would be motivated to make such combination of the selected elements from the prior art. No reasons are shown in the Office Action as to why the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would select the elements from the cited prior art references for combination in the manner claimed.

The Hughes et al. system focuses on tracking of items and displaying locational information regarding the tracked items. Clearly, as acknowledged in the Office Action, the Hughes et al. reference does not teach or suggest a reordering process. The Shaw reference in no way teaches or suggests utilization of transponder technology, but rather an inferior bar code technology. The only linkage between the two references is that mentioning in the Hughes et al. references that the transponder tracked items may additionally have bar code labels on them.

Applicants respectfully submit that the Office Action's proposed combination by one of ordinary skill in the art of the Hughes et al. system with the single line reference to a reordering process in the context of bar code derived data is not supported by reasons as to why the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would select such elements for combination in the manner claimed. Applicants suggest the Office Action simply has gravitated towards selection of the "solution", i.e., utilization of transponders for both security purposes as well as reordering processes with in the confines of a monitored boundary, in hindsight of Applicants' invention. Stated differently, Applicants respectfully submit that, as required, the Office Action fails to set forth the reasons that the skilled artisan, confronted with the problems of obtaining the efficiency of a single system of automated security and reorder processes and with no knowledge of the presently claimed invention, would select the elements from the three cited prior art references for combination in the manner suggested in the Office Action.

#### **4. Conclusion**

In light of the forgoing, Applicants respectfully submit that Claims 1-28 are in a condition for allowance and action is requested.

Lastly, Applicants acknowledge receipt of the prior art made of record and not relied upon, but considered by the Office Action to be pertinent to Applicants disclosure.



Attorney Docket: ZACKR-001A (FREIT-005A)

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Response to Office Action of 10/06/2003

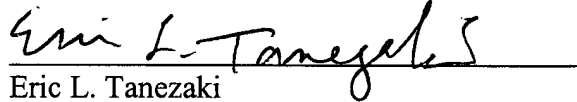
It is Applicants' belief that the cited art, either alone or in combination, does not anticipate, suggest, or make obvious the instantly claimed invention.

Respectfully submitted,

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